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Consumer Price Index

A release from the Province of British Columbia's central statistical agency

REFERENCE DATE: APRIL 2014

CONSUMER PRICE INDEX (2002=100)

HIGHLIGHTS

British Columbia's consumer price index (CPI) climbed 1.5% in April, relative to the same month in 2013. The rise follows a slight year-over-year bump (+0.1%) in March, and marks the first substantial price increase since the HST was repealed.

With the repeal of the HST, the cost of many services purchased by consumers was reduced, and this was reflected in the year-over-year change in the CPI during the 12-month period beginning in April 2013.

Consumers spent 2.1% more for food, due to increased prices for groceries purchased from stores (+2.0%) and meals from restaurants (+2.3%). The rise in grocery prices was driven by higher costs for fish & seafood products (+7.1%), fresh fruits (+4.1%), and fresh vegetables (+2.5%).

Shelter costs also rose (+1.4%) in April, reflecting a sharp increase in prices for water, fuel and electricity (+9.0%). Renters saw prices climb 1.0% compared to April 2013, whereas expenses for owned accommodations inched downward (-0.1%).

The transportation index advanced 2.5%. Climbing costs for private transportation (+2.5%) were the result of higher prices for gasoline (+5.9%). A similar increase lifted prices for public transportation (+1.4%).

Compared to a year ago, consumers paid less for clothing & footwear (-1.1%), as well as health & personal care products & services (-0.1%). In contrast, prices increased for recreation, education & reading materials (+2.2%).

In Vancouver, the year-over-year inflation rate rose to 1.9%, whereas prices in Victoria climbed at a slightly slower pace (+1.3%).

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The Canadian inflation rate increased 2.0%, as prices rose in every province and territory. Saskatchewan (+2.8%) and Alberta (+2.7%) saw the largest price increases, while Quebec (+1.3%) posted the lowest inflation rate.

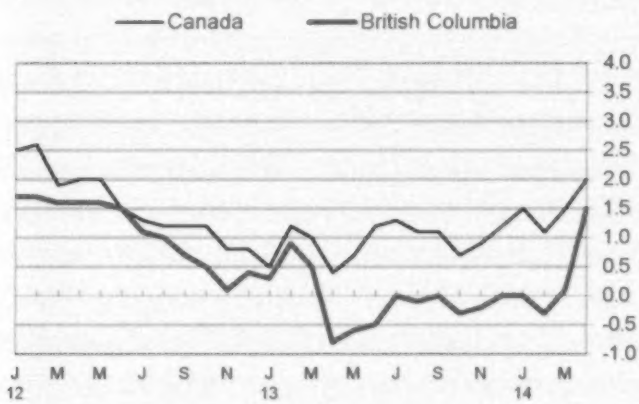
Note: Statistics Canada will release the May Consumer Price Index on June 20, 2014.

2002=100	All-Items Index	% Change from	
	April 2014	March 2014	April 2013
Canada	125.2	0.3	2.0
BC	119.0	0.3	1.5
Vancouver	120.7	0.3	1.9
Victoria	117.3	0.3	1.3
Core Canada[1]	122.7	0.2	1.4
BC (excluding energy)	115.6	0.0	1.1

[1] The Core CPI for Canada: Defined by the Bank of Canada as the All-items index excluding the eight most volatile components (fruit, vegetables, gasoline, fuel oil, natural gas, mortgage interest, inter-city transportation and tobacco products). Also excluded is the effect of changes in indirect taxes on the remaining components.

BC AND CANADA INFLATION TREND

(% change, same month of previous year)



2002=100	Latest 12-month Average Index (ending in April 2014)	Latest 12-month Average % Change	2013 Annual Average % Change
Canada	123.5	1.2	0.9
BC	117.9	0.0	-0.1
Vancouver	119.4	0.2	0.2
Victoria	116.4	-0.2	-0.3

TERMS AND DEFINITIONS

BASE EFFECT

The 12-month variation in the CPI is calculated by comparing the current month's index with the index for the same month of the previous year. The 12-month change is represented by the difference in the indexes of the reference months. Thus, the 12-month variation can decrease from one month to the next merely because the base serving as the point of comparison increased.

Source: Statistics Canada

TWELVE-MONTH PERCENT CHANGES

Also referred to as "year-over-year", twelve-month percent changes compare indexes for a given month to indexes for the same month of the previous year. As they compare two points in time, they are influenced by unusual or temporary events that can affect either of the two months. Their calculation does not include any of the intervening monthly indexes.

Source: Statistics Canada

ANNUAL AVERAGE INDEX

Annual average indexes are calculated by averaging index levels over the 12 months of the calendar year. These data should not be confused with the 12-month change in the CPI. By the nature of the calculation, averaging indexes over the calendar year gives a better representation of price behaviour over the whole year and is closer to the concept of an average price. The use of annual averages is considered the preferred option for indexation purposes.

Source: Statistics Canada

LATEST TWELVE-MONTH AVERAGE INDEX

The latest twelve-month average index (ending in the current month) is a 12-month moving average of the indexes of the most recent 12 months. It is calculated like the annual average index. Hence, in theory, the December twelve-month average index would be equal to the annual average index for the calendar year. However, in practice, when BC Stats makes these calculations from published data, the December 12-month average index may differ from Statistics Canada's published annual average index due to rounding.

Source: Statistics Canada

HARMONIZED SALES TAX

On July 1, 2010, the Harmonized Sales Tax (HST) came into effect in British Columbia and Ontario. As well, Nova Scotia increased its HST by two percentage points.

On April 1, 2013, the Harmonized Sales Tax came into effect in Prince Edward Island, while British Columbia returned to the Provincial Sales Tax and the Goods and Services Tax.

Source: Statistics Canada

ADDITIONAL INFORMATION

More information about the concepts and use of the CPI is available online in the Statistics Canada publication Your Guide to the Consumer Price Index (catalogue 62-557-XIB)

With the release of the May 2011 CPI, Statistics Canada has updated the basket of goods & services used in the calculation of the Index. Learn more

Prepared by: BC Stats, May 2014